

HOUSE BILL No. 1474

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-6-5; IC 9-15-2; IC 9-16-1.

Synopsis: License branch service contractors. Requires the bureau of motor vehicles commission to contract with a qualified person to provide full and partial license branch services. Specifies entities that may be considered qualified persons. Makes technical and conforming amendments.

Effective: July 1, 2007.

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January 23, 2007, read first time and referred to Committee on Government and Regulatory Reform.

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First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

HOUSE BILL No. 1474

A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-6-5-1 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) As used in this chapter,
3 "vehicle" means a vehicle subject to annual registration as a condition
4 of its operation on the public highways pursuant to the motor vehicle
5 registration laws of the state.

6 (b) As used in this chapter, "mobile home" means a
7 nonself-propelled vehicle designed for occupancy as a dwelling or
8 sleeping place.

9 (c) As used in this chapter, "bureau" means the bureau of motor
10 vehicles.

11 (d) As used in this chapter, "license branch" means a:

12 (1) branch office of the bureau;

13 (2) **contractor with the bureau operating a full service license**
14 **branch under IC 9-16-1-4; or**

15 (3) **contractor with the bureau providing partial license**
16 **branch services under IC 9-16-1-4.5;**

17 authorized to register motor vehicles pursuant to the laws of the state.



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(e) As used in this chapter, "owner" means the person in whose name the vehicle or trailer is registered (as defined in IC 9-13-2).

(f) As used in this chapter, "motor home" means a self-propelled vehicle having been designed and built as an integral part thereof having living and sleeping quarters, including that which is commonly referred to as a recreational vehicle.

(g) As used in this chapter, "last preceding annual excise tax liability" means either:

(1) the amount of excise tax liability to which the vehicle was subject on the owner's last preceding regular annual registration date; or

(2) the amount of excise tax liability to which a vehicle that was registered after the owner's last preceding annual registration date would have been subject if it had been registered on that date.

(h) As used in this chapter, "trailer" means a device having a gross vehicle weight equal to or less than three thousand (3,000) pounds that is pulled behind a vehicle and that is subject to annual registration as a condition of its operation on the public highways pursuant to the motor vehicle registration laws of the state. The term includes any utility, boat, or other two (2) wheeled trailer.

(i) This chapter does not apply to the following:

(1) Vehicles owned, or leased and operated, by the United States, the state, or political subdivisions of the state.

(2) Mobile homes and motor homes.

(3) Vehicles assessed under IC 6-1.1-8.

(4) Vehicles subject to registration as trucks under the motor vehicle registration laws of the state, except trucks having a declared gross weight not exceeding eleven thousand (11,000) pounds, trailers, semitrailers, tractors, and buses.

(5) Vehicles owned, or leased and operated, by an institution of higher education (as defined in IC 6-3-3-5(d)).

(6) Vehicles owned, or leased and operated, by a volunteer fire department (as defined in IC 36-8-12-2).

(7) Vehicles owned, or leased and operated, by a volunteer emergency ambulance service that:

(A) meets the requirements of IC 16-31; and

(B) has only members that serve for no compensation or a nominal annual compensation of not more than three thousand five hundred dollars (\$3,500).

(8) Vehicles that are exempt from the payment of registration fees under IC 9-18-3-1.

(9) Farm wagons.

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SECTION 2. IC 6-6-5-11 IS AMENDED TO READ AS FOLLOWS
 [EFFECTIVE JULY 1, 2007]: Sec. 11. An owner of a vehicle who knowingly registers the vehicle without paying the excise tax required by this chapter commits a Class B misdemeanor. An employee of the bureau or a branch manager or employee of a license branch office who recklessly issues a registration on any vehicle without collecting excise tax required to be collected with the registration commits a Class B misdemeanor.

SECTION 3. IC 9-15-2-1 IS AMENDED TO READ AS FOLLOWS
 [EFFECTIVE JULY 1, 2007]: Sec. 1. The commission shall do the following:

- (1) Develop and continuously update the bureau's policies.
- (2) Recommend to the governor legislation that is needed to implement the policies developed by the commission.
- (3) Recommend to the bureau proposed rules that are needed to implement the policies developed by the commission and require those proposed rules to be adopted under IC 4-22-2.
- (4) Review, revise, adopt, and submit to the budget agency budget proposals for the commission, the bureau, and the license branches operated under IC 9-16, including the budget required by IC 9-16-3-3.
- (5) Establish the determination criteria and determine the number and location of license branches to be operated under IC 9-16. However, there must be at least one (1) full service license branch in each county.
- (6) Establish and adopt minimum standards for the operation and maintenance of each full service license branch operated under IC 9-16.
- (7) ~~Before January 1, 1997,~~ Establish and adopt minimum standards for the operation and maintenance of each partial service contractor under IC 9-16. The standards must result in more convenience to the public by providing license branch services at as many walk-up locations as possible without increasing the costs of providing these services.
- (8) ~~Before March 1, 1997,~~ Establish and adopt minimum standards for providing license branch services using telephonic, facsimile, electronic, or computer means under IC 9-16.
- (9) Administer the state license branch fund established under IC 9-29-14.
- (10) Contract for the operation of full service license branches under IC 9-16-1-4 and partial services under IC 9-16-1-4.5.**

SECTION 4. IC 9-15-2-2 IS AMENDED TO READ AS FOLLOWS

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[EFFECTIVE JULY 1, 2007]: Sec. 2. The commission may do the following:

(1) Procure insurance against any loss in connection with the commission's operations in the amount the commission considers necessary or desirable.

~~(2) Contract for the operation of full service license branches under IC 9-16-1-4 and partial services under IC 9-16-1-4.5.~~

~~(3)~~ (2) Take any other action necessary to achieve the commission's purpose.

SECTION 5. IC 9-16-1-1 IS AMENDED TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2007]: Sec. 1. As used in this chapter, "qualified person" means any of the following:

(1) A motor club that is any of the following:

(A) A domestic corporation.

(B) A foreign corporation qualified to transact business in Indiana under IC 23-1 or IC 23-17.

(2) A financial institution (as defined in IC 28-1-1-3).

(3) A new motor vehicle dealer licensed under IC 9-23-2.

(4) A unit (as defined in IC 9-21-18-3).

(5) An insurance producer (as defined in IC 27-1-15.6-2) licensed under IC 27-1-15.6.

~~(4)~~ (6) Other persons, including persons licensed under IC 9-23-2 that are not covered by subdivision (3), that the commission determines can meet the standards adopted by the commission under IC 9-15-2-1(7) and the requirements for partial service contractors under section 4.5 of this chapter.

SECTION 6. IC 9-16-1-4 IS AMENDED TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2007]: Sec. 4. (a) The commission ~~may~~ **shall** contract with a qualified person for:

(1) the operation of a full service license branch under this section; or

(2) ~~providing the provision of~~ partial services under section 4.5 of this chapter.

(b) A contract for the operation of a full service license branch must include the following provisions:

(1) The contractor shall provide a full service license branch, including the following services:

(A) Vehicle titles.

(B) Vehicle registration.

(C) Driver's licenses.

(D) Voter registration as provided in IC 3-7.

(2) The contractor shall provide trained personnel to properly

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process branch transactions.

(3) The contractor shall do the following:

(A) Collect and transmit all bureau fees and taxes collected at the license branch.

(B) Deposit the taxes collected at the license branch with the county treasurer in the manner prescribed by IC 6-3.5 or IC 6-6-5.

(4) The contractor shall generate a transaction volume sufficient to justify the installation of bureau support systems.

(5) **This subdivision does not apply to a contractor that is a unit.** The contractor shall provide fidelity bond coverage in an amount prescribed by the commission **that is reasonably calculated to secure the contractor's performance. The commission may not require the contractor to post a cash bond.**

(6) The contractor may operate the license branch within a facility used for other purposes.

(7) The contractor shall pay the cost of any post audits conducted by the commission or the state board of accounts on an actual cost basis.

(8) The commission shall provide support systems and driver's license examiners on the same basis as state operated branches.

(9) The commission shall provide the same equipment to contractors as is provided to state operated branches.

(10) The commission must approve each location and physical facility based upon criteria developed by the commission.

(11) The term of the contract must be for a fixed period.

(12) The contractor shall agree to provide voter registration services and to perform the same duties imposed on the commission under IC 3-7.

SECTION 7. IC 9-16-1-4.5, AS AMENDED BY P.L.210-2005, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4.5. (a) The commission ~~may~~ **shall** contract with a qualified person to provide partial services at a qualified person's location, including locations within a facility used for other purposes, such as electronic titling and title application services and self-serve terminal access.

(b) A contract for providing motor vehicle registration and renewal services at a location must include the following provisions:

(1) The contractor must provide trained personnel to properly process motor vehicle registration and renewal transactions.

(2) The contractor shall do the following:

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- 1 (A) Collect and transmit all bureau fees and taxes collected at
2 the contract location.
3 (B) Deposit the taxes collected at the contract location with the
4 county treasurer in the manner prescribed by IC 6-3.5 or
5 IC 6-6-5.
6 (3) **This subdivision does not apply to a contractor that is a**
7 **unit.** The contractor shall provide fidelity bond coverage in an
8 amount prescribed by the commission **that is reasonably**
9 **calculated to secure the contractor's performance. The**
10 **commission may not require the contractor to post a cash**
11 **bond.**
12 (4) The contractor shall pay the cost of any post audits conducted
13 by the commission or the state board of accounts on an actual cost
14 basis.
15 (5) The commission must approve each location and physical
16 facility used by a contractor.
17 (6) The term of the contract must be for a fixed period.

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